



Your business
is our business.

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October 15, 2013

VIA Electronic Comment Filing System

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Washington, DC 20554

**Re: WC Docket No. 10-90, WC Docket No. 11-42
2013 ETC Annual Report of West Side Telephone Company PA
Study Area Code 170277**

Dear Ms. Dortch:

On behalf of West Side Telephone Company, JSI files the attached FCC Form 481 ETC annual reporting information pursuant to sections 54.313 and 54.422 of the Commission's rules.¹

Please direct any questions regarding the filing to the undersigned.

Sincerely,

John Kuykendall
JSI Vice President
301-459-7590
jkuykendall@jsitel.com

¹ 47 C.F.R. §§ 54.313, 54.422.

**FCC Form 481 - Carrier Annual Reporting
Data Collection Form**

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010> Study Area Code	170277
<015> Study Area Name	WEST SIDE TEL CO-PA
<020> Program Year	2014
<030> Contact Name: Person USAC should contact with questions about this data	Lori Hindman
<035> Contact Telephone Number: Number of the person identified in data line <030>	304-983-8611
<039> Contact Email Address: Email of the person identified in data line <030>	hindman@westco.net

ANNUAL REPORTING FOR ALL CARRIERS			54.313 Completion Required	54.422 Completion Required
(check box when complete)				
<100> Service Quality Improvement Reporting	(complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>	
<200> Outage Reporting (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
<210> <input checked="" type="checkbox"/> <-- check box if no outages to report				
<300> Unfulfilled Service Requests (voice)	<input type="text" value="0"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
<310> Detail on Attempts (voice)	(attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>	
<320> Unfulfilled Service Requests (broadband)		<input type="checkbox"/>	<input type="checkbox"/>	
<330> Detail on Attempts (broadband)	(attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>	
<400> Number of Complaints per 1,000 customers (voice)		<input checked="" type="checkbox"/>	<input type="checkbox"/>	
<410> Fixed	<input type="text" value="0.0"/>			
<420> Mobile				
<430> Number of Complaints per 1,000 customers (broadband)		<input type="checkbox"/>	<input type="checkbox"/>	
<440> Fixed				
<450> Mobile				
<500> Service Quality Standards & Consumer Protection Rules Compliance	(check to indicate certification)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
<510> <input type="text" value="170277pa510"/>	(attached descriptive document)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
<600> Functionality in Emergency Situations	(check to indicate certification)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
<610> <input type="text" value="170277pa610"/>	(attached descriptive document)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
<700> Company Price Offerings (voice)	(complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>	
<710> Company Price Offerings (broadband)	(complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>	
<800> Operating Companies and Affiliates	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
<900> Tribal Land Offerings (Y/N)? <input type="radio"/> <input checked="" type="radio"/>	(if yes, complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
<1000> Voice Services Rate Comparability	(check to indicate certification)	<input type="checkbox"/>	<input type="checkbox"/>	
<1010> <input type="text"/>	(attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>	
<1100> Terrestrial Backhaul (Y/N)? <input checked="" type="radio"/> <input type="radio"/>	(if not, check to indicate certification)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
<1110>	(complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>	
<1200> Terms and Condition for Lifeline Customers	(complete attached worksheet)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

<2000>	(check to indicate certification)	<input type="checkbox"/>	<input type="checkbox"/>
<2005>	(complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>

Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet

<3000>	(check to indicate certification)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<3005>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**(100) Service Quality Improvement Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	170277
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<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Lori Hindman
<035>	Contact Telephone Number - Number of person identified in data line <030>	304-983-8611
<039>	Contact Email Address - Email Address of person identified in data line <030>	hindman@westco.net
<110>	Has your company received its ETC certification from the FCC?	(yes / no) <input type="radio"/> <input checked="" type="radio"/>
If your answer to Line <110> is yes, do you have an existing §54.202(a) "5		
<111>	year plan" filed with the FCC?	(yes / no) <input type="radio"/> <input type="radio"/>

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

<112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

Name of Attached Document (.pdf)

Please check these boxes below to confirm that the attached PDF, on line 112, contains a progress report on its five-year service quality improvement plan pursuant to § 54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

<113> Maps detailing progress towards meeting plan targets
<114> Report how much universal service (USF) support was received
<115> How (USF) was used to improve service quality
<116> How (USF) was used to improve service coverage
<117> How (USF) was used to improve service capacity
<118> Provide an explanation of network improvement targets not met in the prior calendar year.

<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

(200) Service Outage Reporting (Voice)
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	170277
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<030>	Contact Name - Person USAC should contact regarding this data	Lori HIndman
<035>	Contact Telephone Number - Number of person identified in data line <030>	304-983-8611
<039>	Contact Email Address - Email Address of person identified in data line <030>	hindman@westco.net

[illegible]

(700) Price Offerings including Voice Rate Data Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<701>	Residential Local Service Charge Effective Date	1/1/2013
<702>	Single State-wide Residential Local Service Charge	

(710) Broadband Price Offerings Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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July 2013

[illegible]

(800) Operating Companies Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

[illegible]

**(900) Tribal Lands Reporting
Data Collection Form**

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	170277
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<030>	Contact Name - Person USAC should contact regarding this data	Lori Hindman
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<039>	Contact Email Address - Email Address of person identified in data line <030>	hindman@westco.net

<910> Tribal Land(s) on which ETC Serves

<920> Tribal Government Engagement Obligation

Name of Attached Document (.pdf)

If your company serves Tribal lands, please select (Yes,No, NA) for each these boxes to confirm the status described on the attached PDF, on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions;
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select (Yes,No, NA)

**(1100) No Terrestrial Backhaul Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

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<039>	Contact Email Address - Email Address of person identified in data line <030>	hindman@westco.net

<1120> Please check this box to confirm no terrestrial backhaul
options exist within the supported area pursuant to § 54.313(G) ☐

<1130> Please check this box to confirm the reporting carrier offers
broadband service of at least 1 Mbps downstream and 256 kbps
upstream within the supported area pursuant to § 54.313(G) ☐

(1200) Terms and Condition for Lifeline Customers
Lifeline
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

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<039>	Contact Email Address - Email Address of person identified in data line <030>	hindman@westco.net

<1210> Terms & Conditions of Voice Telephony Lifeline Plans 170277pa1210

Name of attached document (.pdf)

<1220> Link to Public Website HTTP

“Please check these boxes below to confirm that the attached PDF,
on line 1210, or the website listed, on line 1220,
contains the required information pursuant to §
54.422(a)(2) annual reporting for ETCs receiving low-income
support, carriers must annually report:

<1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, ☒

<1222> Details on the number of minutes provided as part of the plan, ☐

<1223> Additional charges for toll calls, and rates for each such plan. ☐

(2000) Price Cap Carrier Additional Documentation**Data Collection Form***Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers*

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	170277
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<039>	Contact Email Address - Email Address of person identified in data line <030>	hindman@westco.net

CHECK the boxes below to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e) the information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting

- <2010> 2nd Year Certification {47 CFR § 54.313(b)(1)}
- <2011> 3rd Year Certification {47 CFR § 54.313(b)(2)}

<input type="checkbox"/>
<input type="checkbox"/>

Price Cap Carrier Receiving Frozen Support Certification {47 CFR § 54.312(a)}

- <2012> 2013 Frozen Support Certification
- <2013> 2014 Frozen Support Certification
- <2014> 2015 Frozen Support Certification
- <2015> 2016 and future Frozen Support Certification

<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>

Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}

- <2016> Certification Support Used to Build Broadband

<input type="checkbox"/>

Connect America Phase II Reporting {47 CFR § 54.313(e)}

- <2017> 3rd year Broadband Service Certification
- <2018> 5th year Broadband Service Certification
- <2019> Interim Progress Certification
- <2020> Please check the box to confirm that the attached PDF , on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.
- <2021> Interim Progress Community Anchor Institutions

<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>

Name of Attached Document Listing Required Information

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(3000) Rate Of Return Carrier Additional Documentation**Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	170277
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<039>	Contact Email Address - Email Address of person identified in data line <030>	hindman@westco.net

CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

Progress Report on 5 Year Plan

(3010)	Milestone Certification {47 CFR § 54.313(f)(1)(i)} Please check this box to confirm that the attached PDF, on line 3012, contains the required information pursuant to § 54.313 (f)(1)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.	Name of Attached Document Listing Required Information	<input type="checkbox"/>
(3012)	Community Anchor Institutions {47 CFR § 54.313(f)(1)(ii)}	Name of Attached Document Listing Required Information	<input checked="" type="checkbox"/> (Yes/No)
(3013)	Is your company a Privately Held ROR Carrier {47 CFR § 54.313(f)(2)}		<input checked="" type="checkbox"/> (Yes/No)
(3014)	If yes, does your company file the RUS annual report Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:		<input type="checkbox"/>
(3015)	Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)		<input type="checkbox"/>
(3016)	PDF of Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/>
(3017)	If the response is yes on line 3014, attach your company's RUS annual report and all required documentation	Name of Attached Document Listing Required Information	<input type="checkbox"/> (Yes/No)
(3018)	If the response is no on line 3014, Is your company audited? If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains :		<input type="checkbox"/>
(3019)	Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications PDF of Balance Sheet, Income Statement and Statement of Cash Flows		<input checked="" type="checkbox"/>
(3020)			<input type="checkbox"/>
(3021)	Management letter issued by the independent certified public accountant that performed the company's financial audit. If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains: Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers,		<input type="checkbox"/>
(3022)			<input type="checkbox"/>
(3023)	Underlying information subjected to a review by an independent certified public accountant		<input type="checkbox"/>
(3024)	Underlying information subjected to an officer certification.		<input type="checkbox"/>
(3025)	PDF of Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/>
(3026)	Attach the worksheet listing required information	Name of Attached Document Listing Required Information	170277pa3019

**Certification - Reporting Carrier
Data Collection Form**FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	170277
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<039>	Contact Email Address - Email Address of person identified in data line <030>	hindman@westco.net

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	
Signature of Authorized Officer:	Date
Printed name of Authorized Officer:	
Title or position of Authorized Officer:	
Telephone number of Authorized Officer:	
Study Area Code of Reporting Carrier:	Filing Due Date for this form:
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

**Certification - Agent / Carrier
Data Collection Form**FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

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<030>	Contact Name - Person USAC should contact regarding this data	Lori Hindman
<035>	Contact Telephone Number - Number of person identified in data line <030>	304-983-8611
<039>	Contact Email Address - Email Address of person identified in data line <030>	hindman@westco.net

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) <u>John Staurulakis</u> is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent:	John Staurulakis
Name of Reporting Carrier:	WEST SIDE TEL CO-PA
Signature of Authorized Officer:	CERTIFIED ONLINE Date: 10/08/2013
Printed name of Authorized Officer:	John Ludenia
Title or position of Authorized Officer:	Vice President and General Mgr
Telephone number of Authorized Officer:	304-983-8642
Study Area Code of Reporting Carrier:	170277 Filing Due Date for this form: 10/15/2013
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier:	WEST SIDE TEL CO-PA
Name of Authorized Agent or Employee of Agent:	John Staurulakis
Signature of Authorized Agent or Employee of Agent:	CERTIFIED ONLINE Date: 10/08/2013
Printed name of Authorized Agent or Employee of Agent:	Darla Parker
Title or position of Authorized Agent or Employee of Agent:	Manager
Telephone number of Authorized Agent or Employee of Agent:	512/338-0473
Study Area Code of Reporting Carrier:	170277 Filing Due Date for this form: 10/15/2013
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Attachments

(800) Operating Companies Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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July 2013

[illegible]

West Side Telephone Company - Pennsylvania

Response to Lines 500-510 - Service Quality Standards and Consumer Protection Rules

Compliance

In establishing this certification in its *2005 ETC Order*,¹ the FCC found that an ETC must make “a specific commitment to objective measures to protect consumers.”² The FCC found that for wireless ETCs, compliance with CTIA’s Consumer Code for Wireless Service would satisfy this requirement” and that the sufficiency of other commitments would be considered on a case-by-case basis.³ In this context, the FCC stated, “to the extent a wireline or wireless ETC applicant is subject to consumer protection obligations under state law, compliance with such laws may meet our requirement.”⁴

West Side Telephone Company (“Company”) hereby certifies that it complies with applicable service quality standards and consumer protection rules and related services sourcing rule as established by the Pennsylvania Public Utility Commission. These obligations include, but are not limited to, the following: (1) filing a Local Exchange Tariff which discloses rates, terms and conditions of service to customers; (2) adherence to state consumer protection requirements governing telephone providers; and (3) service quality standards requirements and actions as identified in 52

¹ *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, FCC 05-46 (rel. Mar. 17, 2005) (“*2005 ETC Order*”).

² *Id.* at para. 28.

³ *Id.* The FCC noted that under the CTIA Consumer Code, wireless carriers agree to: “(1) disclose rates and terms of service to customers; (2) make available maps showing where service is generally available; (3) provide contract terms to customers and confirm changes in service; (4) allow a trial period for new service; (5) provide specific disclosures in advertising; (6) separately identify carrier charges from taxes on billing statements; (7) provide customers the right to terminate service for changes to contract terms; (8) provide ready access to customer service; (9) promptly respond to consumer inquiries and complaints received from government agencies; and (10) abide by policies for protection of consumer privacy.” *Id.* at n. 71.

⁴ *Id.* at n. 72.

Pa. Code § 63, Subchapter E (Telephone Quality Service Standards) and reporting of corrective action under 52 Pa. Code §§ 63.51-63.65. Further, the Company complies with Cyber Security Planning to maintain security for its infrastructure as required in 52 Pa. Code §§ 101.1-101.7. For service outages, the company complies with 52 Pa. Code §67.1 regarding the reporting of service interruptions which reach a state-defined threshold.

In addition, the Company complies with numerous federal consumer protection standards including, but not limited to: (1) Truth-in-Billing Rules outlined in 47 CFR § 64.2401; and (2) compliance with Federal CPNI rules, Red Flag Rules and other applicable federal and state requirements governing the protection of customers' privacy.

West Side Telephone Company - Pennsylvania

Response to Lines 600-610 - Ability to Function in Emergency Situations

West Side Telephone Company ("Company") hereby certifies that it is able to function in emergency situations as set forth in the Code of Federal Regulations, Title 47, Part 54, Subpart C, §54.202(a)(2)¹. The Company's network is designed to remain functional in emergency situations without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations as required by Section 54.202(a)(2). The Company can change call routing translations as needed to reroute traffic around damaged facilities. Changing call routing translations also allows the Company to manage traffic spikes throughout its network, as emergency situations require.

Specifically, the Company is able to function under emergency operations in accordance with § 63.14 as established by the Pennsylvania Utility Commission which include obligations for continuity of service and emergency operations planning and service provision capability for dominant carriers. Reserve equipment includes a minimum of 3 hours battery reserve for central offices equipped with permanently installed standby power facilities. Company exchanges do have installed stationery power, however, they do not exceed the 5,000 line threshold and therefore do not have permanent auxiliary power.

¹ Section 54.202(a)(2) requires ETCs that are designated by the Commission to "demonstrate its ability to remain functional in emergency situations, including a demonstration that it has a reasonable amount of back-up power to ensure functionality without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations."

West Side (PA) Telephone Company

Rates, Terms and Conditions for Lifeline Service

(Response to Form 481, Line 1210)

Local exchange service rates and charges as specified below are for basic local exchange service and facilities only. The rates for other ancillary services not specifically shown below are presented in West Side (PA) Telephone Company's tariff(s) on file with the Pennsylvania Public Utility Commission. Unless otherwise specified, the rates and charges quoted below are for a period of one month, payable in advance and provide unlimited flat rate calling within the local exchange calling scope.

Residential Local Exchange Access Line Rates⁽¹⁾⁽²⁾:

Residential Plan	R-1 Rate	Res. EAS Charge
Plan 1 – Economy rate exchange service which provides measured rate calling only, no usage charge allowance.	\$ 4.50	\$ -
Plan 2 – Flat rate calling only within the originating exchange or zone and there is no usage charge allowance to calls terminating in other exchanges or zones of the local service area.	\$ 10.50	\$ -
Plan 3 – Flat rate calling to specified areas with measured calling to all other exchanges or zones within the local service area and has no usage charge allowance.	\$ 14.25	\$ -
Plan 4 – Flat rate calling to all exchanges or zones within the local service area.	\$ 27.45	\$ -

⁽¹⁾ Above listed fees do not include mandatory taxes, fees and surcharges, including, but not limited to Pennsylvania Universal Service Fund charges, 9-1-1 fees, and municipal franchise fees.

⁽²⁾ Qualified Lifeline customers are eligible for Lifeline credits or discounts as outlined in the attached Lifeline tariff.

S14. LIFELINE SERVICE

S14.1 Description

Lifeline Service is a federally funded program established to provide monthly assistance to residential low income households who qualify for this service in accordance with the following Regulations.

S14.2 Regulations

1. Lifeline Service is available to qualified customers and is provided via a residence individual Dial Tone Line. Lifeline Service is limited to only one Service per qualified customer or household (a household is defined as “any individual or group of individuals who are living together as one economic unit” an economic unit is “all adult individuals contributing to and sharing in the income and expenses of a household”). A potential Lifeline customer who has an outstanding final bill for telephone service which is less than (4) years old must pay the entire balance of any Basic Service final bill before being eligible for Lifeline Service. (C)
2. Residence Lifeline Service consists of the following tariffed standard features and optional customer elected services at the applicable rates, charges and regulations for each feature and service provided.
 - a. One-Party Residence Line Rate or Local Measured Service Option.
 - b. Directory Listing (standard only).
 - c. Non-Published or Non-Listed Telephone Number Service.
 - d. Access to Directory Assistance Service.
 - e. Touch-Tone Calling Service.
 - f. Access to Message Toll Telephone Service and Optional Dial Station-to-Station Calling Plan Services. However, the Residence Lifeline Dial Tone Line will be blocked from dial station access to 976/556/900 and any other type of Audiotex Service.
 - g. Access to Operator Services.
 - h. Voluntary Toll Restriction Option.
 - i. Access to 800/888 Services.
 - j. Access to Call Trace.
 - k. Access to Alerting and Reporting Systems (9-1-1 dialing).
 - l. Access to the Pennsylvania Telecommunications Relay Service.
 - m. Caller ID Per-call and Per-line Blocking.
 - n. Other eligible telecommunications services at tariffed rates.

(C) Indicates Change

S14. LIFELINE SERVICE

S14.2 Regulations (continued)

3. An applicant for Lifeline Service must be a current participant in one of the following Pennsylvania programs, or be able to provide proof of household income which is at or below 135% of the annual Federal Poverty Guidelines for all States (except Alaska and Hawaii) and the District of Columbia. Recertification of Lifeline Service participants must be conducted annually by West Side Telecommunications to ensure continued eligibility. Lifeline customers have the responsibility to notify the Telephone Company within thirty (30) days of a change in eligibility status if they no longer qualify for Lifeline Service.

Pennsylvania Department of Public Welfare Lifeline Service Programs:

- * Temporary Assistance for Needy Families (TANF)
- * * *
- * Supplemental Security Income (SSI)
- * Medicaid
- * Supplemental Nutrition Assistance Program (SNAP) (f/k/a Food Stamps)
- * Low Income Home Energy Assistance Program (LIHEAP)

(C)

Additional Eligible Programs (Federal)

- * Federal Public Housing
- * National School Free Lunch Program

The DPW Programs listed above must be certified by DPW. Such certification by DPW will be provided only when a DPW client requests Lifeline Service based on the client's status as a participant in any of the above eligibility programs. Certification by DPW will be limited to confirmation of the client's program status (i.e., participation or non-participation). Participation by DPW is subject to execution of an agreement with DPW and West Side Telecommunications.

4. Lifeline Service will be provided to a customer only so long as such customer continues to meet the participation and certification guidelines in S14.2 (3) above. At the time of initial establishment of Lifeline Service, the customer agrees to have his or her eligibility recertified annually by West Side Telecommunications. When West Side Telecommunications is notified by the customer or determines through recertification that the Lifeline Service customer is no longer a participant in the DPW programs in S14.2 (3) above or otherwise low-income eligible, the customer will be notified (by telephone or letter) that the Lifeline Service rate is no longer applicable. Within the stated customer notification period (30 days from the date of the notification), the customer can contact the Company to negotiate new Dial

(C) Indicates Change

S14. LIFELINE SERVICE

S14.2 Regulations (continued)

Tone Service arrangements at applicable tariff rates (no connection charges will apply for existing services or options retained). If the customer does not contact the Company by the end of the notification period, the Lifeline Service will be changed to applicable Exchange Area Dial Tone Line service at existing tariff rates (no connections charges will apply to existing services or options retained).

(C)

5. A Lifeline Service customer may not subscribe to any other type of residence Local Exchange Service at the same or other premises. Lifeline Service will not be provided via Foreign Exchange or Foreign Central Office Service arrangements.
6. Only services listed in S14.2 (2) above will be provided to Lifeline customers.
7. Customer requested temporary suspension of Lifeline Service is not permitted.
8. Lifeline Service does not apply to applicants who are full time students living in university or college controlled housing.
9. The applicant must not be a dependent for Federal Income Tax purposes, unless he or she is 60 years of age or older.
10. Lifeline customers are subject to all Residence service regulations in this and other tariffs of West Side Telecommunications.

(C) Indicates Change

S14. LIFELINE SERVICE

S14.2 Regulations (continued)

11. Residence Lifeline Service cannot be resold by the Lifeline customer or the Lifeline customers' agent(s). (C)
12. Resale of Lifeline Services are subject to wholesale rate obligations under Section 251(c)(4) of the Telecommunications Act of 1996. (C)
13. All outstanding charges, account balances and service restrictions apply to existing customers who qualify for Lifetime Service. Service restrictions will remain until the arrearage(s) have been paid in full. (C)
14. Any Lifeline customer who has a past due balance of Toll charges will be treated with the appropriate Chapter 64 regulations. The Residence Toll Restoral Charge applies to Lifeline Customers who are suspended for non-payment and who subsequently pay their outstanding toll charges and request toll restoral. If a Lifeline customer is toll restricted for a second occurrence the Company may, at its discretion, place the Lifeline customer on permanent toll restriction. (C)
15. Toll-Blocking and Toll-Control services will be provided at no charge to Lifeline Service subscribers, to the extent that they are offered. (C)

(C) Indicates Change

Supplement No. 13 – Tariff Telephone PA P.U.C. No. 3

West Side Telephone Company DBA
West Side Telecommunications

Section 14
First Revised Sheet 5
Cancels Original Sheet 5

S14. LIFELINE SERVICE

S14.3 Lifeline Service Dial Tone Line Monthly Rate

1. Applicable Residence Dial Tone monthly rate minus \$9.25 ⁽¹⁾. (I)
- * * * (C)
2. Lifeline Service is subject to all applicable state, local and federal taxes, and (C)
surcharges, and to all applicable tariff rates, charges, surcharges and regulations.

NOTE:

- ⁽¹⁾ See FCC Public Notice released May 1, 2012, In re: *Lifeline and Link Up Reform and Modernization et al.*, Report and Order and Further Notice of Proposed Rulemaking, WC Docket Nos. 11-42 et al., CC Docket No. 96-45, FCC 12-11 (rel. Feb. 6, 2012).

* * *

(I) Indicates Increase
(C) Indicates Change

West Side Telephone Company - Pennsylvania

Response to Form 481, Lines 3019-3021 (audited financials)

Note: The following attachment contains confidential financial information that is protected from disclosure by the Protective Order adopted and released by the Federal Communications Commission on November 16, 2012 in the matter of the Connect America Fund, et al., WC Docket No. 10-90 et al.

**WEST SIDE TELEPHONE COMPANY
AND SUBSIDIARIES
Morgantown, Virginia**

**INDEPENDENT AUDITORS' REPORT
CONSOLIDATED FINANCIAL STATEMENTS
AND
CONSOLIDATING INFORMATION**

**As of and for the Years Ended
December 31, 2012 and 2011**

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Turlington and Company, L.L.P.
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
West Side Telephone Company and Subsidiaries
Morgantown, West Virginia

We have audited the accompanying consolidated financial statements of West Side Telephone Company and Subsidiaries, which comprise the consolidated balance sheets as of December 31, 2012 and 2011, and the related consolidated statements of income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

West Side Telephone Company and Subsidiaries' management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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INDEPENDENT AUDITORS' REPORT (CONTINUED)

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of West Side Telephone Company and Subsidiaries as of December 31, 2012 and 2011, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary consolidating information in Schedules 1 - 3 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such consolidating information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Furlington and Company, L.L.P.

Lexington, North Carolina
May 24, 2013

WEST SIDE TELEPHONE COMPANY AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	December 31	
	2012	2011
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 784,320	\$ 790,647
Accounts receivable (less allowances of \$101,912 in 2012 and \$127,002 in 2011)	148,468	161,869
Refundable income taxes	29,667	64,756
Materials and supplies	348,996	383,050
Prepayments	118,248	109,536
Net current deferred income taxes	47,889	65,729
	<u>1,477,588</u>	<u>1,575,587</u>
Noncurrent assets:		
Accounts receivable - affiliates	1,400,114	1,212,274
Other investments	7,216	7,216
Net noncurrent deferred income taxes	47,169	
	<u>1,454,499</u>	<u>1,219,490</u>
Property and equipment:		
Plant in service	12,131,144	12,034,749
Plant under construction	43,137	2,104
	<u>12,174,281</u>	<u>12,036,853</u>
Less, accumulated depreciation	10,656,898	10,123,795
	<u>1,517,383</u>	<u>1,913,058</u>
	<u>\$ 4,449,470</u>	<u>\$ 4,708,135</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 90,952	\$ 103,485
Income taxes payable		7,602
Other accrued liabilities	142,376	165,154
	<u>233,328</u>	<u>276,241</u>
Noncurrent liabilities:		
Accounts payable - affiliate	199,571	58,842
Net noncurrent deferred income taxes		18,820
	<u>199,571</u>	<u>77,662</u>
	<u>432,899</u>	<u>353,903</u>
Stockholders' equity:		
Capital stock	41,500	41,500
Additional paid-in capital	5,302,818	5,302,818
Retained earnings (deficit)	(1,327,747)	(990,086)
	<u>4,016,571</u>	<u>4,354,232</u>
	<u>\$ 4,449,470</u>	<u>\$ 4,708,135</u>

The accompanying notes are an integral part of the consolidated financial statements

WEST SIDE TELEPHONE COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

	Years Ended December 31	
	<u>2012</u>	<u>2011</u>
Capital stock:		
\$100 par value; 500 shares authorized - 415 shares issued and outstanding, with no changes during the years	\$ 41,500	\$ 41,500
Additional paid-in capital:		
Balances at beginning and end of years, with no changes during the years	<u>5,302,818</u>	<u>5,302,818</u>
Retained earnings (deficit):		
Balances at beginning of years	(990,086)	(522,197)
Net loss for the years	(112,661)	(242,889)
Dividends paid	(225,000)	(225,000)
Balances at end of years	(1,327,747)	(990,086)
	<u>\$ 4,016,571</u>	<u>\$ 4,354,232</u>

The accompanying notes are an integral part of the consolidated financial statements

WEST SIDE TELEPHONE COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

	Years Ended December 31	
	<u>2012</u>	<u>2011</u>
Operating revenues:		
Basic local network service	\$ 933,912	\$ 920,270
Network access and long distance revenue	1,686,247	1,825,870
Other sales and service revenue	1,322,232	1,403,192
Miscellaneous	163,837	175,924
Less, uncollectible operating revenues	(15,700)	(31,689)
	<u>4,090,528</u>	<u>4,293,567</u>
Operating expenses:		
Plant specific operations	700,201	687,780
Plant nonspecific operations	318,902	378,804
Depreciation and amortization	554,424	600,367
Customer operations	329,843	332,038
Corporate operations	1,510,410	1,473,388
Cost of other sales and service	758,665	1,018,017
Operating taxes	85,182	43,081
	<u>4,257,627</u>	<u>4,533,475</u>
Operating loss	(167,099)	(239,908)
Nonoperating expense:		
Interest expense	<u>44</u>	<u>909</u>
Loss before income taxes	(167,143)	(240,817)
Federal and state income tax expense (benefits)	(54,482)	<u>2,072</u>
Net loss for the years	<u>(\$ 112,661)</u>	<u>(\$ 242,889)</u>

The accompanying notes are an integral part of the consolidated financial statements

WEST SIDE TELEPHONE COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	<u>2012</u>	<u>2011</u>
Cash flows from operating activities:		
Net loss for the years	(\$ 112,661)	(\$ 242,889)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	554,424	600,367
Allowance for uncollectible accounts	(32,152)	16,251
Deferred income taxes	(48,149)	68,525
Changes in assets and liabilities:		
Accounts receivable	45,553	(11,451)
Accounts receivable - affiliates	(29,233)	(177,167)
Refundable income taxes	27,487	(19,523)
Materials and supplies	34,054	157,072
Prepayments	(8,712)	11,679
Accounts payable	(12,533)	(189,206)
Accounts payable - affiliate	(17,878)	46,835
Other accrued liabilities	(22,778)	(30,780)
Net cash provided by operating activities	<u>377,422</u>	<u>229,713</u>
Cash flows from investing activities:		
Extension and replacement of plant	(158,749)	(328,333)
Cash flows from financing activities:		
Dividends paid	(225,000)	(225,000)
Net decrease in cash	(6,327)	(323,620)
Cash and cash equivalents at beginning of years	<u>790,647</u>	<u>1,114,267</u>
Cash and cash equivalents at end of years	<u>\$ 784,320</u>	<u>\$ 790,647</u>
Cash expended during the years for:		
Interest	<u>\$ 44</u>	<u>\$ 909</u>
Income taxes	<u>\$ -</u>	<u>\$ 27,125</u>

The accompanying notes are an integral part of the consolidated financial statements

WEST SIDE TELEPHONE COMPANY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2012 and 2011

1. Summary of Significant Accounting Policies:

These consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America. The more significant of these principles are described as follows:

Basis of Consolidation

The consolidated financial statements include the accounts of West Side Telephone Company (a corporation) and its wholly-owned subsidiaries, Communications Plus, Inc. and Westco Internet, Inc. (hereinafter referred to collectively as the Company). The subsidiaries are accounted for as purchases. All intercompany transactions have been eliminated in consolidation.

Cash and Cash Equivalents

Cash and cash equivalents include cash and short-term, highly liquid investments that are readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only investments with original maturities of three months or less qualify as cash equivalents.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances which continue to remain outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable.

Materials and Supplies

Inventories are valued at cost. The average cost method is used to value those items on which perpetual inventory records are kept, and the first-in, first-out method is used to value those items on which no perpetual records are kept.

Property and Equipment

Additions to property and equipment consist of all direct labor and materials, outside cost of plant construction, and related construction costs, including administrative, engineering, and general overhead.

The cost of units of property retired, including removal costs (net of salvage, if any), is deducted from accumulated depreciation, and the cost of related replacements considered to be units of property is added to plant in service.

Repairs to and replacement of items which are considered less than units of property are charged to expense.

Depreciation

Depreciation of plant in service is computed by use of the straight-line method.

WEST SIDE TELEPHONE COMPANY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

1. Summary of Significant Accounting Policies (Continued):

Taxes Collected

The Company collects federal excise tax, communications tax, and sales tax from customers. The amount billed or collected is credited to a liability account and, as payments are made, this account is charged. At any point in time, this account represents the net amount owed to the taxing authorities for amounts billed or collected.

Income Taxes

Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

The Company has determined that it has no uncertain income tax positions as of December 31, 2012 and 2011. Also, the Company does not anticipate any increase or decrease in unrecognized tax benefits during the next twelve months that would result in a material change to its financial position. The Company's income tax returns for years ended after December 31, 2009 remain open for examination.

The Company includes interest and penalties in the consolidated financial statements as a component of income tax expense. No interest or penalties are included in the Company's income tax expense for the years ended December 31, 2012 and 2011.

Use of Estimates

The preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Nature of Operations and Concentration of Credit Risk:

West Side Telephone Company is a telephone company that provides telephone services to its customers located in northern West Virginia and southwestern Pennsylvania. West Side Telephone Company has two wholly-owned subsidiaries, Communications Plus, Inc., which provides interconnect services and is a competing local telecommunications service provider, and Westco Internet, Inc., which is an internet provider formed during the year ended December 31, 2003.

The consolidated Company's revenues from each area of service provided are as follows:

Basic area revenue	23%
Network access and long distance revenue	41%
Other	36%
	<u>100%</u>

WEST SIDE TELEPHONE COMPANY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Nature of Operations and Concentration of Credit Risk (Continued):

The Company places its cash and cash equivalents on deposit with financial institutions in the United States. On July 21, 2010, the Federal Deposit Insurance Corporation (FDIC) permanently increased coverage to \$250,000 for substantially all depository accounts held in FDIC-insured institutions. Also, the FDIC temporarily provided unlimited coverage for certain qualifying and participating noninterest-bearing transaction accounts. As scheduled, the unlimited insurance coverage for noninterest-bearing transaction accounts provided under the Dodd-Frank Wall Street Reform and Consumer Protection Act expired on December 31, 2012. Deposits held in noninterest-bearing transaction accounts are now aggregated with any interest-bearing deposits the owner may hold in the same ownership category, and the combined total is insured up to at least \$250,000. During the years, the Company from time to time may have had amounts on deposit in excess of the insured limit. As of December 31, 2012, the Company had no amounts on deposit which exceeded the insured amount.

3. Plant in Service:

The major classes of plant in service are summarized as follows:

	<u>2012</u>	<u>2011</u>
Land	\$ 48,360	\$ 48,360
Buildings	937,201	924,065
Central office equipment	4,147,532	4,102,017
Outside plant	5,119,494	5,105,974
Furniture and office equipment	1,309,940	1,285,716
Vehicles and work equipment	568,617	568,617
	<u>\$ 12,131,144</u>	<u>\$ 12,034,749</u>

Depreciation expense on the above plant amounted to \$554,424 and \$600,367, respectively, for the years ended December 31, 2012 and 2011.

4. Other Investments:

Other investments consist of Rural Telephone Finance Cooperative patronage capital.

5. Deferred Compensation:

The Company maintains a deferred compensation plan, as permitted by Section 401(k) of the Internal Revenue Code. Previously, employees with ninety days of service were eligible to participate. Eligible employees who contributed to the plan received a 50% match on up to 5% of eligible compensation from the Company. The Company contributed \$12,055 to the plan for the year ended December 31, 2011.

Effective April 12, 2012, the Company's 401(k) plan was merged into one plan covering all three of the subsidiaries of TelAtlantic Communications, Inc. This plan provides that employees with ninety days of service are eligible to participate. Employees who contribute to the plan receive a 50% match on up to 5% of eligible compensation from the Company. Each year the Company may also contribute between 0% and 15% of total compensation for eligible participants. The Company contributed \$11,396 to the plan for 2012.

WEST SIDE TELEPHONE COMPANY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Income Taxes:

An analysis of the Company's income tax expense (benefits) for the years ended December 31, 2012 and 2011 is as follows:

	<u>2012</u>	<u>2011</u>
Gross amounts shown by income tax returns	(\$ 6,333)	(\$ 66,453)
Deferred income taxes	(48,149)	68,525
	<u>(\$ 54,482)</u>	<u>\$ 2,072</u>

Beginning in 2004, the Company began filing consolidated federal income tax returns with its 80% stockholder, TelAtlantic Communications, Inc. (TelAtlantic), and other companies affiliated with TelAtlantic through ownership. The amounts shown above as "Gross amounts shown by income tax returns" reflect amounts owed to/due from TelAtlantic or affiliates for federal income taxes or reflected on separate state income tax returns.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities as of December 31, 2012 and 2011 are as follows:

	<u>2012</u>	<u>2011</u>
Deferred tax assets:		
Book over tax allowance for doubtful accounts	\$ 43,785	\$ 54,437
Book (over) under tax property and equipment	26,801	(47,276)
Book over tax accrued vacation	4,104	10,293
Book over tax accrued sick leave		999
State net operating loss carryovers	<u>139,809</u>	<u>125,864</u>
	214,499	144,317
Less, valuation allowance for deferred tax assets	<u>119,441</u>	<u>97,408</u>
	<u>\$ 95,058</u>	<u>\$ 46,909</u>

Classification on the consolidated balance sheets is as follows:

	<u>2012</u>	<u>2011</u>
Net current assets	\$ 47,889	\$ 65,729
Net noncurrent assets (liabilities)	<u>47,169</u>	<u>(18,820)</u>
	<u>\$ 95,058</u>	<u>\$ 46,909</u>

Net operating loss carryovers may be carried forward up to twenty years for state income tax purposes. Due to uncertainty in generating future taxable profits to utilize the net operating loss carryovers, a valuation allowance for deferred tax assets of \$97,408 was established at December 31, 2011, and \$22,033 was added to the allowance at December 31, 2012.

WEST SIDE TELEPHONE COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Income Taxes (Continued):

The Company has the following state net operating loss carryovers to offset future tax liabilities, if any:

<u>Year of Origin</u>	<u>Net Operating Loss Carryovers</u>
2004	\$ 239,734
2005	376,805
2006	179,071
2007	91,238
2010	245,346
2011	323,291
2012	172,963

7. Contingencies:

The Company's shared revenues, which consist primarily of toll and access charges, are subject to periodic audits by the connecting carriers. Any overpayments and underpayments arising from audits that took place during the years ended December 31, 2012 and 2011 are reflected in the accompanying consolidated financial statements.

The Company has a number of Company credit cards tied to one main account. The total credit limit on these cards amounts to \$97,000.

Effective February 1, 2012, the Company, jointly with its parent company, TelAtlantic Communications, Inc. (TelAtlantic), entered into an employment agreement with an individual for the position of Vice President of Operations and General Manager of the Company for two years. This agreement specifies annual compensation, plus benefits, and a minimum annual increase of 3% per year over the term. If this employee is terminated without cause, as defined in the agreement, or if the employee terminates employment with cause, as defined in the agreement, the Company is jointly obligated, with TelAtlantic, to pay the employee, in a lump sum within fourteen days, nine months' salary, plus an amount equal to three months' benefits, grossed up for income taxes. The initial salary for this position is \$120,000.

Effective February 1, 2007, the Company, jointly with its parent company, TelAtlantic Communications, Inc. (TelAtlantic), and the other subsidiaries of TelAtlantic, entered into an employment agreement with an individual for the position of President/Chief Executive Officer of TelAtlantic for a five-year term. The agreement specifies annual compensation, plus benefits, and a minimum annual increase of 3% per year over the term. If this employee is terminated without cause, as defined in the agreement, or if the employee terminates employment with cause, as defined in the agreement, the Company is jointly obligated with TelAtlantic and the other subsidiaries of TelAtlantic, to pay the employee, in a lump sum within fourteen days, twenty-four months' salary, plus an amount equal to eighteen months' benefits, grossed up for income taxes. The initial salary for this position was \$120,000. The initial term of the employment agreement was for five years and the agreement automatically renews annually, unless terminated in accordance with the employment agreement. Currently, the agreement is renewed as of February 1, 2013.

WEST SIDE TELEPHONE COMPANY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Contingencies (Continued):

Also effective February 1, 2007, the Company, jointly with its parent company, TelAtlantic Communications, Inc. (TelAtlantic), and the other subsidiaries of TelAtlantic, entered into retainer agreements with two agents for the positions of Corporate Attorney and Chief Financial Officer for five-year terms. These agreements specify annual retainers to be paid, plus benefits, out-of-pocket expenses, and a minimum annual increase of 3% per year over the term. If these agents are terminated without cause, as defined in the agreements, or if the agents terminate agency with cause, as defined in the agreements, the Company is jointly obligated with TelAtlantic and the other subsidiaries of TelAtlantic, to pay the agents, in a lump sum within fourteen days, twenty-four months' retainer, plus an amount equal to eighteen months' benefits (medical, dental, and vision care), grossed up for income taxes. The initial retainers for these positions were \$102,000 each plus benefits. The initial term of the employment agreements was for five years and the agreements automatically renew annually, unless terminated in accordance with the employment agreements. Currently, the agreements are renewed as of February, 1, 2013.

During the year ended December 31, 2003, TelAtlantic Communications, Inc. (TelAtlantic), the majority stockholder of the Company, obtained an \$8,500,000 loan with the Rural Telephone Finance Cooperative (RTFC). The loan was obtained to refinance the balances owed to the Rural Utilities Service (RUS) and the RTFC by the Company and another organization owned by TelAtlantic. The amounts refinanced were in exchange for a fifteen-year note with TelAtlantic which matures December 1, 2018. As a requirement of this loan, the RTFC took a security interest in substantially all of the assets of the Company. TelAtlantic and its subsidiaries are required by the RTFC to maintain certain financial ratios/requirements. At December 31, 2012, TelAtlantic Communications, Inc. and Subsidiaries failed to meet the requirement under the RTFC loan to maintain a times earned ratio greater than 1.5 and a debt service coverage ratio of 1.25. The RTFC has waived this requirement for one year.

8. Related Party Transactions:

The Company entered into a management agreement with TelAtlantic Communications, Inc. (TelAtlantic), an 80% stockholder, in June 2000. Under this agreement, TelAtlantic will provide management assistance with a variety of issues for West Side Telephone Company, its subsidiaries, and any later acquired subsidiaries. The Company paid TelAtlantic \$768,000 each year for services provided under this agreement during the years ended December 31, 2012 and 2011. The Company had accounts payable to TelAtlantic amounting to \$198,271 and \$58,842, respectively, as of December 31, 2012 and 2011. The Company also owed Miller Telephone Company \$1,300 on open account at December 31, 2012.

TelAtlantic owed the Company \$1,342,377 and \$1,189,079, respectively, at December 31, 2012 and 2011 for the tax benefit of using the Company's tax losses on the consolidated federal income tax return, advances, and on open account.

The Company also provided the following services to affiliates:

	2012	2011
Accounting and billing services	\$ 23,580	\$ 23,580
Internet technical support	41,222	42,216
Central office equipment support	6,000	6,000
Accounting software use	83,989	86,400
	<u>\$ 154,791</u>	<u>\$ 158,196</u>

WEST SIDE TELEPHONE COMPANY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Related Party Transactions (Continued):

At December 31, 2012 and 2011, the Company was owed \$57,737 and \$23,195, respectively, by affiliates related to providing these services.

9. Change in Accounts Receivable Valuation Allowance:

An analysis of the Company's valuation allowance is as follows:

	<u>2012</u>	<u>2011</u>
Beginning balances	\$ 127,002	\$ 104,752
Additions to valuation allowance	15,700	31,689
Write-offs (net of recoveries)	(40,790)	(9,439)
Ending balances	<u>\$ 101,912</u>	<u>\$ 127,002</u>

10. Reclassifications:

Certain items for the year ended December 31, 2011 have been reclassified herein to conform to the presentation used for the year ended December 31, 2012.

11. Subsequent Events:

Company management has evaluated all subsequent events through May 24, 2013, the date the consolidated financial statements were available to be issued.

SUPPLEMENTARY CONSOLIDATING INFORMATION

WEST SIDE TELEPHONE COMPANY AND SUBSIDIARIES

CONSOLIDATING BALANCE SHEETS

	2012 Consolidating Information				Consolidated	
	West Side Telephone Company	Communications Plus, Inc.	Westco Internet, Inc.	Eliminating Entries	December 31	
					2012	2011
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 237,183	\$ 547,137			\$ 784,320	\$ 790,647
Accounts receivable (less allowances of \$101,912 in 2012 and \$127,002 in 2011)	145,211	16,541	(\$ 13,284)		148,468	161,869
Accounts receivable - intercompany	5,878,538	4,452,149	506,308	(\$ 10,836,995)	-	-
Refundable income taxes	29,667				29,667	64,756
Materials and supplies	73,323	275,673			348,996	383,050
Prepayments	107,143	1,833	9,272		118,248	109,536
Net current deferred income taxes	23,532	19,095	5,262		47,889	65,729
	<u>6,494,597</u>	<u>5,312,428</u>	<u>507,558</u>	<u>(10,836,995)</u>	<u>1,477,588</u>	<u>1,575,587</u>
Noncurrent assets:						
Accounts receivable - affiliates	871,377	528,737			1,400,114	1,212,274
Investment in subsidiary	1,000			(1,000)	-	-
Other investments	7,216				7,216	7,216
Net noncurrent deferred income taxes	97,935	(52,240)	1,474		47,169	-
	<u>977,528</u>	<u>476,497</u>	<u>1,474</u>	<u>(1,000)</u>	<u>1,454,499</u>	<u>1,219,490</u>
Property and equipment:						
Plant in service	10,931,895	709,066	490,183		12,131,144	12,034,749
Plant under construction	45,093	(1,956)			43,137	2,104
	<u>10,976,988</u>	<u>707,110</u>	<u>490,183</u>		<u>12,174,281</u>	<u>12,036,853</u>
Less, accumulated depreciation	9,679,601	491,495	485,802		10,656,898	10,123,795
	<u>1,297,387</u>	<u>215,615</u>	<u>4,381</u>		<u>1,517,383</u>	<u>1,913,058</u>
	<u>\$ 8,769,512</u>	<u>\$ 6,004,540</u>	<u>\$ 513,413</u>	<u>(\$ 10,837,995)</u>	<u>\$ 4,449,470</u>	<u>\$ 4,708,135</u>
LIABILITIES AND STOCKHOLDERS' EQUITY						
Current liabilities:						
Accounts payable:						
Operating	\$ 59,875	\$ 31,077			\$ 90,952	\$ 103,485
Stockholder	4,001,005	6,835,990		(\$ 10,836,995)	-	-
Income taxes payable					-	7,602
Other accrued liabilities	114,617	27,759			142,376	165,154
	<u>4,175,497</u>	<u>6,894,826</u>		<u>(10,836,995)</u>	<u>233,328</u>	<u>276,241</u>
Noncurrent liabilities:						
Accounts payable - affiliate	12,620	40,964	\$ 145,987		199,571	58,842
Net noncurrent deferred income taxes					-	18,820
	<u>12,620</u>	<u>40,964</u>	<u>145,987</u>		<u>199,571</u>	<u>77,662</u>
	<u>4,188,117</u>	<u>6,935,790</u>	<u>145,987</u>	<u>(10,836,995)</u>	<u>432,899</u>	<u>353,903</u>
Stockholders' equity:						
Capital stock	41,500	1,000		(1,000)	41,500	41,500
Additional paid-in capital	5,302,818				5,302,818	5,302,818
Retained earnings (deficit)	(762,923)	(932,250)	367,426		(1,327,747)	(990,086)
	<u>4,581,395</u>	<u>(931,250)</u>	<u>367,426</u>	<u>(1,000)</u>	<u>4,016,571</u>	<u>4,354,232</u>
	<u>\$ 8,769,512</u>	<u>\$ 6,004,540</u>	<u>\$ 513,413</u>	<u>(\$ 10,837,995)</u>	<u>\$ 4,449,470</u>	<u>\$ 4,708,135</u>

WEST SIDE TELEPHONE COMPANY AND SUBSIDIARIES

CONSOLIDATING STATEMENTS OF INCOME

	2012 Consolidating Information				Consolidated	
	West Side Telephone Company	Communications Plus, Inc.	Westco Internet, Inc.	Eliminating Entries	Years Ended December 31 2012	2011
Operating revenues:						
Basic local network service	\$ 818,980	\$ 114,932			\$ 933,912	\$ 920,270
Network access and long distance revenue	1,701,324	147,013		(\$ 162,090)	1,686,247	1,825,870
Other sales and service revenue	45,628	734,156	\$ 571,743	(29,295)	1,322,232	1,403,192
Miscellaneous	137,853	60,440		(34,456)	163,837	175,924
Less, uncollectible operating revenues	(9,600)	(5,600)	(500)		(15,700)	(31,689)
	<u>2,694,185</u>	<u>1,050,941</u>	<u>571,243</u>	<u>(225,841)</u>	<u>4,090,528</u>	<u>4,293,567</u>
Operating expenses:						
Plant specific operations	697,462	53,936		(51,197)	700,201	687,780
Plant nonspecific operations	105,532	213,370			318,902	378,804
Depreciation and amortization	451,804	84,000	18,620		554,424	600,367
Customer operations	258,684	71,159			329,843	332,038
Corporate operations	1,255,859	254,234	317		1,510,410	1,473,388
Cost of other sales and service	48,287	474,059	410,963	(174,644)	758,665	1,018,017
Operating taxes	85,131	51			85,182	43,081
	<u>2,902,759</u>	<u>1,150,809</u>	<u>429,900</u>	<u>(225,841)</u>	<u>4,257,627</u>	<u>4,533,475</u>
Operating income (loss)	(208,574)	(99,868)	141,343	-	(167,099)	(239,908)
Nonoperating expense:						
Interest expense	44				44	909
Income (loss) before income taxes	(208,618)	(99,868)	141,343	-	(167,143)	(240,817)
Federal and state income tax expense (benefits)	(82,097)	(16,510)	44,125		(54,482)	2,072
Net income (loss) for the years	(\$ 126,521)	(\$ 83,358)	\$ 97,218	\$ -	(\$ 112,661)	(\$ 242,889)

WEST SIDE TELEPHONE COMPANY AND SUBSIDIARIES

CONSOLIDATING STATEMENTS OF CASH FLOWS

	2012 Consolidating Information				Consolidated	
	West Side Telephone Company	Communications Plus, Inc.	Westco Internet, Inc.	Eliminating Entries	Years Ended December 31 2012	2011
Cash flows from operating activities:						
Net income (loss) for the years	(\$ 126,521)	(\$ 83,358)	\$ 97,218		(\$ 112,661)	(\$ 242,889)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:						
Depreciation and amortization	451,804	84,000	18,620		554,424	600,367
Allowance for uncollectible accounts	(13,932)	(10,218)	(8,002)		(32,152)	16,251
Deferred income taxes	(49,867)	2,979	(1,261)		(48,149)	68,525
Changes in assets and liabilities:						
Accounts receivable	30,858	14,695			45,553	(11,451)
Accounts receivable - intercompany	(678,777)	(763,991)	(138,983)	\$ 1,581,751	-	-
Accounts receivable - affiliates	(75,307)	1,112	44,962		(29,233)	(177,167)
Refundable income taxes	35,089		(7,602)		27,487	(19,523)
Materials and supplies	2,379	31,675			34,054	157,072
Prepayments	(11,237)	315	2,210		(8,712)	11,679
Accounts payable	(12,248)	(285)			(12,533)	(189,206)
Accounts payable - stockholder	739,214	842,537		(1,581,751)	-	-
Accounts payable - affiliate		(17,878)			(17,878)	46,835
Other accrued liabilities	(29,363)	6,585			(22,778)	(30,780)
Net cash provided by operating activities	262,092	108,168	7,162	-	377,422	229,713
Cash flows from investing activities:						
Extension and replacement of plant	(147,969)	(3,618)	(7,162)		(158,749)	(328,333)
Cash flows from financing activities:						
Dividends paid	(225,000)				(225,000)	(225,000)
Net increase (decrease) in cash	(110,877)	104,550	-		(6,327)	(323,620)
Cash and cash equivalents at beginning of years	348,060	442,587	-		790,647	1,114,267
Cash and cash equivalents at end of years	\$ 237,183	\$ 547,137	\$ -	\$ -	\$ 784,320	\$ 790,647
Cash expended during the years for:						
Interest	\$ 44	\$ -	\$ -		\$ 44	\$ 909
Income taxes	\$ -	\$ -	\$ -		\$ -	\$ 27,125